



Arizona Long-Term Industry Employment Projections: 2014-2024

The Arizona Office of Economic Opportunity has published industry employment projections for the 2014-2024 period. Arizona's industry employment projections are produced in conjunction with the U.S. Department of Labor (US DOL), Bureau of Labor Statistics (BLS). Industry Employment projections are designed to assist students, job seekers, educators, employers, and public and private groups for planning and reporting purposes. Projections data is available for Arizona and three substate areas: the Phoenix Metro Area (Maricopa and Pinal Counties), the Tucson Metro Area (Pima County), and the Balance of State Region (All counties minus Maricopa, Pinal, and Pima Counties). Long-term employment projections are available for 123 industries, sectors, and subsectors for the state and the substate regions.

Projected State and Substate Employment Growth

Employment in Arizona is projected to increase from roughly 2,728,012 to 3,305,314 from 2014 through 2024. This represents growth of 577,304 jobs or 21.2%. Arizona's growth over the decade is projected to vastly outperform the 6.5% employment growth rate that is projected for the entire United States.

Highlighting regional differences, the Phoenix Metro Area (Phoenix MSA) is projected to increase by 467,919 jobs at a growth rate of 24.1%. The Phoenix MSA is the only substate region projected to outpace the employment growth rate for the state as a whole. Roughly 81% of the state employment growth is projected to occur within the Phoenix MSA.

The Tucson Metro Area (Tucson MSA) is projected to add 54,460 jobs at a growth rate of 14.4%. While the Tucson MSA's rate of growth is slower than that projected for the Phoenix MSA during the same period, it represents strong growth for the region which only averaged annual growth of 0.6% from 2010 to 2014. Employment growth in the Tucson MSA has increased in the latter half of 2014 and has continued through 2016, which was a significant factor when creating projections through 2024. Projected employment increases in the Tucson MSA represents roughly 9% of Arizona's projected employment growth.

Finally, the Balance of State is projected to add 54,923 jobs at a growth rate of 13.6%. Projected employment increases in the Balance of State Region represents roughly 9% of Arizona's projected employment growth.

Figure 1

2014-2024 Projected Job Growth by Region

Area Name	2014 Estimated Total Employment Level	2024 Projected Total Employment Level	Numeric Growth	Percentage Growth
Arizona	2,728,012	3,305,314	577,302	21.2%
Phoenix MSA ¹	1,944,933	2,412,852	467,919	24.1%
Tucson MSA ²	378,762	433,222	54,460	14.4%
Balance Of State ³	404,317	459,240	54,923	13.6%
1) Maricopa and Pinal Counties				
2) Pima County				
3) All other areas in Arizona less Maricopa, Pinal, and Pima Counties				

Projected Industry Employment

Figure 2 shows the numeric and percentage growth across each supersector. Arizona is projected to record growth in all twelve supersectors over the ten-year period. The largest projected numeric growth will occur in Education and Health Services (EHS); Professional and Business Services (PBS); and Trade, Transportation, and Utilities (TTU). These three sectors were the largest of the supersector categories in 2014 and are projected to continue to provide large numbers of jobs due to their size. EHS, PBS, and TTU will account for 30.6% of projected employment growth in the state. For Arizona, Phoenix, and Tucson, the supersector projected to record the fourth largest numeric growth will be Construction. The large numeric growth in Construction is significant because it is relatively smaller than the other supersectors. Construction also endured a disproportionate contraction during the most recent recession. The Balance of State deviates from the others, and the fourth largest projected numeric growth will occur in Government.

Four supersectors in the state are projected to exceed the average growth rate of all industries combined (21.2% growth). These four supersectors are Construction (49.9%); Professional and Business Services (34.0%); Financial Activities (28.6%); and Education and Health Services (25.5%). For percentage growth, Phoenix and Tucson follow the

same pattern as Arizona. Balance of State projects that Professional and Business Services; Construction; and Education and Health Services will show growth rates that exceed the average for all industries combined. Additional information on each substate area can be found on our website: <http://www.laborstats.az.gov>.

Figure 3 shows the subsectors that are projected to record employment growth at a faster rate than the average rate for all industries combined. The top three subsectors are projected to grow by 50.0% or more over the ten-year period. The top two subsectors are Construction of Buildings and Specialty Trade Contractors; both of which fall within the larger supersector Construction. Since Construction is projected to record a high rate of growth, it is not unusual for subsectors within that industry to also record high rates of growth.

Jobs within Construction of Buildings include construction of new work and additions, maintenance, and repairs. Similarly, Specialty Trade Contractors are also involved in the construction of buildings, but the firms in this subsector generally are responsible for a specific aspect of the project (electrical, masonry, plumbing, etc.). Data Processing, Hosting, and Related Services is projected to record the third highest rate of growth. Businesses within this subsector are involved in the infrastructure necessary for data processing and hosting.

Figure 2

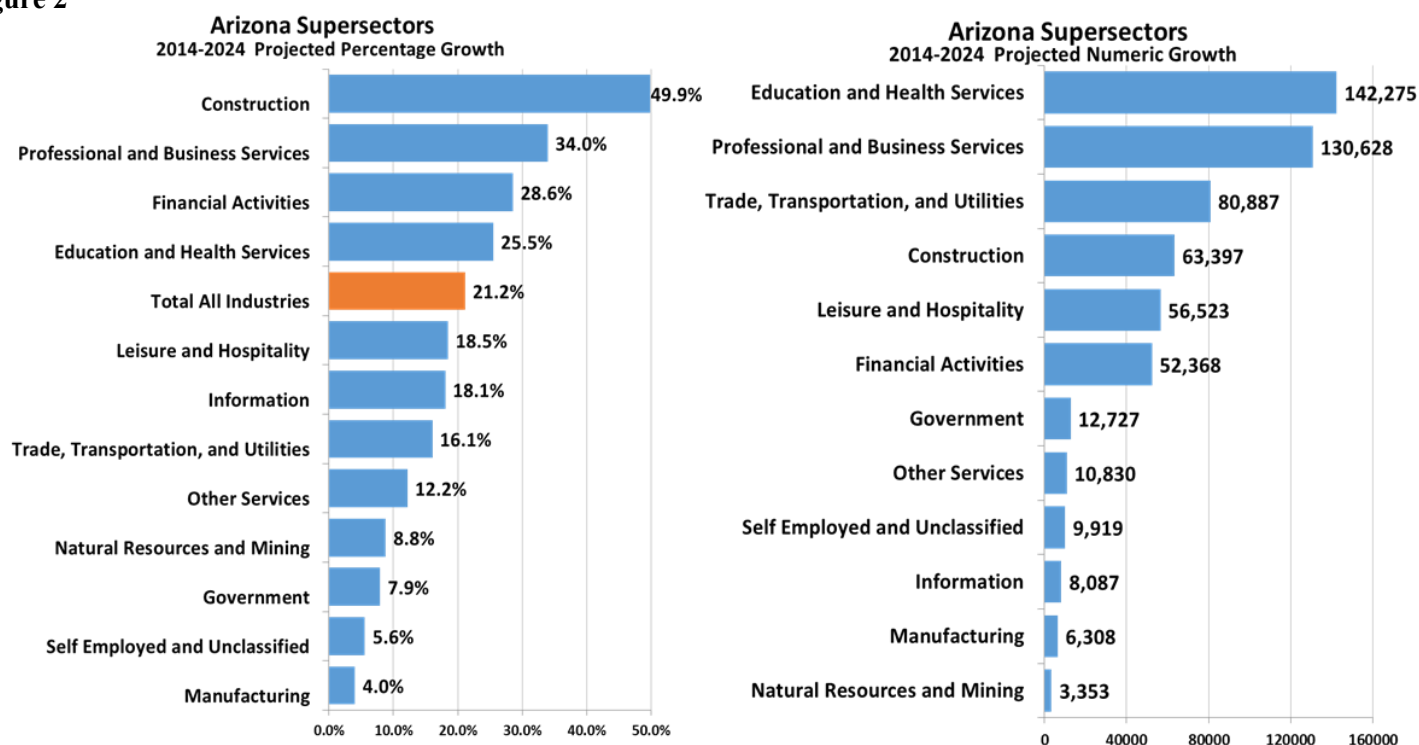


Figure 3

Arizona Minor Industries Projected to Grow Faster than All Industries from 2014-2024

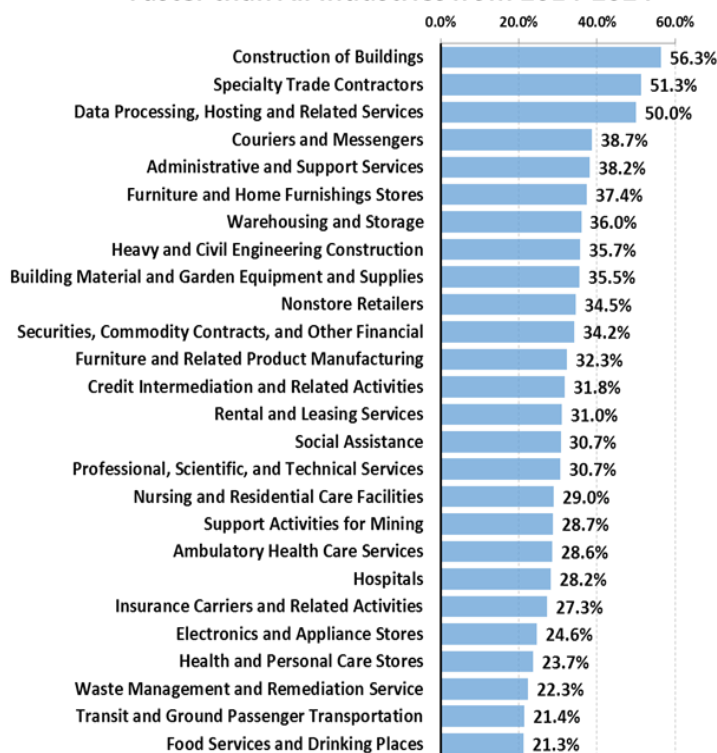


Figure 4 shows the top 26 subsectors that are projected to record the largest numeric growth over the ten-year period. These minor industries are projected to have robust growth regardless of the relative size of each minor industry. Minor industries with high numeric projected growth will need to fill new opportunities created by this growth.

The largest projected numeric growth will occur in the Administrative and Support Services subsector. This subsector provides support services to other organizations. Occupations found in this subsector include Janitors, Office Clerks, and Security Guards. Educational Services is projected to record the second highest employment change. Businesses within this subsector provide instruction and training. These can be public or private institutions. Firms like Elementary Schools, Trade Schools, and Universities are included in this subsector.

Each of these subsectors fall within one of the supersectors listed above. Growth within subsectors tends to follow similar patterns. The 26 minor industries listed in Figure 4 all fall into the 6 supersectors with the largest projected numeric growth for the state: Trade, Transportation, and Utilities (8 subsectors); Education and Health Services (5 subsectors); Financial Activities (5 subsectors); Professional and Business Services (3 subsectors); Construction (3 subsectors); and Leisure and Hospitality (2 subsectors).

Technical Notes

It should be noted that the employment projections produced assume the continuation of recent historical trends. OEO does not attempt to predict expansion or contraction resulting from cyclical changes in the Arizona economy. The projections are meant to provide guidance on relative magnitudes and directional changes between the different industries rather than the exact outcomes of employment developments. For more information on employment projections methodology, definitions, assumptions, and limitations, visit www.laborstats.az.gov/employment-forecasts.

Figure 4

Arizona Top 26 Projected Minor Industry Growth 2014-2024

